

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0199

Sales and Use Taxes

Calendar Years 1992, 1993, 1994, 1995, 1996, Short Year 03/31/97

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ISSUE(S)

I. Tax Administration – Notice

Authority: IC 6-8.1-5-1(a); 45 IAC 15-5-1

Taxpayer protests the assessments that were based upon best information available.

STATEMENT OF FACTS

Taxpayer, a sole proprietor, operated a sewing shop specializing in window treatments and wedding gowns. Tuxedo rentals were also offered. An audit was completed on December 31, 1998 based upon information provided to the auditor. The auditor projected taxable sales by figuring actual exempt sales for 1995 and 1996, then averaging the resulting percent to provide an exempt percentage for 1992, 1993, and 1994. The sales were obtained from taxpayer's schedule C. For the three months in 1997, the auditor averaged total sales from taxpayer's schedule C by adding 1992 through 1996, dividing by twelve months and multiplying by three months. Auditor allowed the average projected exempt sales for the part year. Auditor allowed a credit for sales tax paid on materials resold in all years at audit.

Taxpayer, in a letter dated April 14, 1999 requested a hearing and states that the auditor assessed tax on items that included sales tax on the purchase invoice.

Taxpayer has not provided additional evidence or proof that the proposed adjustment is in error.

I. **Tax Administration** – Notice

DISCUSSION

Taxpayer was assessed sales tax on items it sold from its location and failed to supply information to warrant an adjustment to the liabilities.

Taxpayer states there were no sales in 1996 or 1997 but has not provided proof or detail. In a letter dated February 3, 2000, the taxpayer was asked to provide additional proof in order for the department to make adjustments. Taxpayer was also advised that detail in full must be provided at hearing, if it did not agree with the explanation in the department's letter. When no response was forthcoming, the department scheduled a hearing for Thursday, April 6, 2000 to allow the taxpayer to present additional information. No one appeared at the hearing, therefore, the determination is based upon information contained in the audit file.

Taxpayer has not provided proof that the audit is in error.

FINDING

Taxpayer's protest is denied.